

15Q - PENSION OBLIGATION BOND AMORTIZATION

Operational Summary

Description:

To record the use of the County's investment account held by the Orange County Retirement System (OCERS) for normal and unfunded accrued actuarial liability (UAAL) costs.

In 1994 taxable Pension Obligation Bonds were sold to finance the County's UAAL obligation. The County deposited \$318.3 million in an investment account held by OCERS. The investment account is a part of the OCERS investment pool and as such earns the same rate of return.

The investment account was initially used to make annual payments to satisfy the County's UAAL obligation according to a 15-year amortization schedule in lieu of County cash contributions; however, in 1996 the County and OCERS concluded an agreement by which the UAAL is amortized according to a 28-year schedule and the investment account is used to pay an annually declining portion of the County's normal cost obligation.

At a Glance:

Total FY 2004-2005 Actual Expenditure + Encumbrance:	7,157,670
Total Final FY 2005-2006	22,200,000
Percent of County General Fund:	N/A
Total Employees:	.00

Strategic Goals:

- Use of the County's investment account in the Orange County Employees Retirement System to mitigate cash contributions for normal and unfunded accrued actuarial pension costs.

Budget Summary

Final Budget History:

Sources and Uses	FY 2003-2004 Actual Exp/Rev	FY 2004-2005 Budget	FY 2004-2005 Actual Exp/Rev ⁽¹⁾	FY 2005-2006 Final Budget	Change from FY 2004-2005 Actual	
		As of 6/30/05	As of 6/30/05		Amount	Percent
Total Revenues	33,308,572	18,985,057	12,880,038	22,200,000	9,319,962	72.35
Total Requirements	33,308,572	7,800,000	12,880,038	22,200,000	9,319,962	72.35
Balance	0	11,185,057	0	0	0	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2004-05 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Pension Obligation Bond Amortization in the Appendix on page page 631

15Q - Pension Obligation Bond Amortization

Summary of Final Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2003-2004		FY 2004-2005		FY 2004-2005		FY 2005-2006		Change from FY 2004-2005	
	Actual Exp/Rev		Budget		Actual Exp/Rev ⁽¹⁾		Final Budget		Actual	
			As of 6/30/05		As of 6/30/05				Amount	Percent
Revenue from Use of Money and Property	\$	17,820,779	\$	11,285,057	\$	12,880,038	\$	11,000,000	\$ (1,880,038)	-14.59%
Total FBA		0		0		0		11,200,000	11,200,000	0.00
Reserves		15,487,793		7,700,000		0		0	0	0.00
Total Revenues		33,308,572		18,985,057		12,880,038		22,200,000	9,319,962	72.35
Other Charges		33,308,572		7,800,000		7,157,670		11,000,000	3,842,330	53.68
Reserves		0		0		5,722,368		11,200,000	5,477,632	95.72
Total Requirements		33,308,572		7,800,000		12,880,038		22,200,000	9,319,962	72.35
Balance	\$	0	\$	11,185,057	\$	0	\$	0	\$ 0	-100.00%

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2004-05 Actual Expenditure + Encumbrance included in the "At a Glance" section.